

## **Historic, Archive Document**

Do not assume content reflects current scientific knowledge, policies, or practices.



# AGRICULTURAL COOPERATION

LEGAL, ECONOMIC, AND ORGANIZATION INFORMATION COLLECTED BY THE DIVISION OF COOPERATIVE MARKETING,  
BUREAU OF AGRICULTURAL ECONOMICS, UNITED STATES DEPARTMENT OF AGRICULTURE, WASHINGTON, D. C.

---

April 28, 1928.

Vol. VI. No. 9.

## FOURTH SESSION OF AMERICAN INSTITUTE OF COOPERATION

The fourth summer session of the American Institute of Cooperation will be held in California in July of this year. The program includes three outstanding features. These are: (1) a week of field trips in southern California, (2) a cooperative trade conference extending for two weeks, and (3) five special courses in cooperation.

The field trips will start from Los Angeles on Monday morning, July 9, and will include visits to plants operated by the California Walnut Growers' Association, the Poultry Producers of Southern California, the Poultrymen's Cooperative Milling Association, the California Fruit Growers' Exchange, the Mutual Orange Distributors, the California Milk Producers' Association, and the Challenge Cream and Butter Association. In addition, visits will be made to the University of California Citrus Experiment Station at Riverside, to the Mission Inn, to Hollywood, to a large poultry hatchery, to the original navel orange trees at Riverside, and to orange, lemon and avocado plantations.

The last two days of the first week of the institute will be spent at Fresno, Calif., visiting plants operated by the Sun-Maid Raisin Growers, the California Peach and Fig Growers' Association, the California Fruit Exchange, and the Danish Creamery Association. Vineyards, deciduous tree orchards and fig plantations will also be visited.

The cooperative trade conference, which will be held at the University of California, at Berkley, will commence July 16 and continue for two weeks. Many of the leaders in the cooperative movement are scheduled to participate in the sessions of this conference.

Five courses in cooperation are offered by the University of California for undergraduate and graduate students, beginning July 9 and continuing until August 4. These are entitled: Cooperative marketing, Organization and membership problems of California cooperative associations, The economic and legal foundations of cooperation, Cooperative business analysis, and Conference on methods and problems of cooperation. The first course has been arranged to meet the needs of teachers of vocational agriculture, and the last listed will include discussions of the important phases of cooperation presented in the daily sessions of the trade conference. Men experienced in teaching cooperation have been secured as instructors for these courses, and the University of California will give academic credit to those who complete the work satisfactorily.

FARMERS OWN OREGON CANNERY

The Pacific Fruit Canning and Packing Company, Salem, Oregon, is a farmer-owned association for processing fruits. Among the fruits canned during the 1927 season were gooseberries, strawberries, loganberries, cherries, raspberries, fancy prunes, and Bartlett pears. The season's pack had a market value of approximately \$140,000. The income of the association is derived largely from a 10 per cent commission on sales. The past season it amounted to \$18,773 which about covered the expenses.

A movement is now on foot to create a membership organization to assist in assembling fruits for processing.

-----0-----

CALAVO GROWERS STUDY DIVISION OF RETAIL DOLLAR

An analysis of the division of the consumer's dollar expended for Calavos, has recently been published by the Calavo Growers of California, Los Angeles. The following table shows the distribution of the dollar for nine pools of the 1926-27 season and for the first two pools of the 1927-28 season:

	Nine pools Jan. 1927 to Sept. 1927 (Per cent)	Oct. 1927 pool (Per cent)	Nov. 1927 pool (Per cent)
Grower	30.8	43.4	45.2
Packing	8.3	6.0	5.0
Selling	14.6	8.5	8.5
Transportation	10.0	5.7	5.0
Wholesaler	11.3	11.3	11.3
Retailer	25.0	25.0	25.0

The first season had to bear the initial expense of advertising and opening up markets in eastern territory. All the figures were based on estimates to some extent, but are considered by the management to be nearly accurate.

A small shipment of Calavos was made to London to distributors of California oranges. The fruit arrived fully ripe and had to be sold at once. At present there is no need of shipping Calavos to foreign markets but the management is looking ahead to the time when the crop will be heavier than required in this country and is beginning to develop trade in order to be ready to cope with overproduction when it does come.

LOCAL ASSOCIATION SERVES FARMERS IN MANY WAYS

Corn, oats, feed, oil meal, tankage, hogs, coal, and buttermilk are the products handled by the Farmers' Grain and Livestock Association, Coleridge, Nebraska. The association has 230 shareholders and is serving about 250 farmers. Its net worth at the close of its last business year was \$34,633. Sales for the different commodities for the 1926-27 year were: hogs, \$182,048; corn, \$16,007; oats, \$11,907; feed, \$12,928; oil meal, \$3,388; tankage, \$14,431; coal, \$19,563; buttermilk, \$1,061; total, \$261,333. The association has been operating for 17 years.

-----0-----

SIX YEARS WORK OF OHIO ENTERPRISE

Total sales of more than \$350,000 and net earnings of nearly \$15,000 for the year ending June 30, 1927, are reported by the Scott Equity Exchange Company, Scott, Ohio. Income from grinding amounted to \$682, and total expenses were \$12,444. This association markets corn, oats, wheat, clover seed, hay, and straw for about 80 members and purchases for them, feed, cement and salt.

For the last six years the company shows an increase in volume of business and net earnings, as indicated by the following figures compiled by a certified public accountant:

Year	Sales	Net earnings		
		Amount	Per cent of sales	Per share
1922	\$178,294	\$3,484	1.95	\$20.26
1923	244,572	6,713	2.74	40.68
1924	237,168	6,683	2.82	42.03
1925	246,300	5,124	2.08	27.84
1926	248,062	9,594	3.87	48.70
1927	352,729	14,870	4.21	67.90
Total	\$1,507,125	\$46,468	---	\$247.41
Aver.	251,187	7,744	3.08	41.23

From the net earnings for 1926-27, a five per cent dividend was paid on outstanding capital stock and a four per cent patronage dividend to members. The balance, amounting to \$4,898 was carried to surplus which now amounts to more than \$13,000. The share capital now has a book value of \$201 and the organization has a net worth of \$46,046.



### FLORIDA CITRUS GROWERS ORGANIZE NEW ASSOCIATION

Florida citrus growers have recently formed a growers' organization known as the Florida Citrus Growers Clearing House Association. This is a cooperative association organized under the cooperative statute of Florida, and conforming to the provisions of the Capper-Volstead Act.

The growers, through this organization, propose to provide for the grading and inspection of all fruit of its members, for the advertising thereof, and for assembling and analyzing market and crop information which will serve as a basis for planning a more intelligent and systematic program for covering the shipment and distribution of Florida citrus fruit. It is proposed that in regard to the packing and selling of the fruit the association will contract with cooperative marketing agencies and private distributors for the performance of these services.

The association is now engaged in a membership drive and unless 60 per cent of the Florida citrus fruit is signed up by July 1, the plan does not become operative.

-----0-----

### SEVEN YEARS OF LIVESTOCK SHIPPING

One hundred sixty-two cars of cattle, hogs and sheep have been forwarded to market by the Bement Livestock Shipping Association, Bement, Ill., since 1920. These animals have had a net market value of nearly \$250,000.

The shipments for the several years were as follows:

Year	Cattle	Hogs	Sheep	Total animals	Sales
1921	163	759	56	978	\$15,715
1922	140	762	0	902	19,358
1923	151	1,347	19	1,517	24,288
1924	360	1,919	56	2,335	41,129
1925	390	1,838	60	2,288	57,623
1926	319	1,120	42	1,481	42,944
1927	---	-----	--	-----	47,408

This association was organized in 1917 and incorporated in 1922. It serves more than 100 farmers and operates during the entire year.

PRODUCERS TERMINAL MARKET COOPERATIVE SALES AGENCIES

The 13 terminal market cooperative sales agencies affiliated with the National Live Stock Producers Association, handled 5,590,728 head of livestock in 1927, according to the published report of the management. These animals had a sales value of \$131,014,077. The gross income of the 13 agencies amounted to \$1,364,506 and the net earnings for the year were \$246,648.

The thirteen livestock markets in which these farmers' cooperatives operated, with the number of animals handled, value, gross income, and net earnings for each of the organizations for 1927, were as follows:

Association	Total animals handled	Value of animals handled	Gross income	Net earnings
Chicago	1,223,887	\$29,566,355	\$326,843	\$34,353
E. St. Louis	1,069,837	25,967,423	254,022	72,411
Indianapolis	667,388	16,707,190	166,858	45,546
Buffalo	534,249	10,563,658	85,392	10,640
Detroit	430,399	8,512,487	87,471	17,171
Cleveland	343,894	6,691,226	61,484	5,374
Cincinnati	266,819	6,162,553	98,382	36,589
Pittsburgh	242,699	4,370,161	43,837	230
Kansas City	185,491	6,103,184	58,409	868
Sioux City, Ia.	178,681	5,355,864	57,051	3,404
Peoria, Ill.	165,603	3,982,523	51,168	14,507
Evansville, Ind.	136,702	3,283,588	32,349	5,224
Fort Worth	101,909	3,747,859	41,241	331

The largest volume of business was handled by the Chicago association and the next largest by the East St. Louis agency.

The first of the Producer associations to begin operating was the East St. Louis organization which began business on January 2, 1922. Six of the other associations were operating before the close of the year, four associations were started in 1923, and one each in 1924 and 1925.

The number of animals handled by the Producers agencies for each of the last six years are as follows:

Year	Cattle	Calves	Hogs	Sheep	Total
1922	90,612	49,737	1,019,859	99,527	1,259,735
1923	411,077	276,487	3,797,315	421,730	4,906,609
1924	581,662	431,666	4,801,004	713,659	6,527,991
1925	465,637	346,009	3,336,842	701,230	4,849,718
1926	513,294	384,861	3,005,459	950,935	4,854,549
1927	451,150	398,178	3,574,846	1,166,554	5,590,728

The value of the livestock handled, the gross income of the agencies, the expenses, and net earnings of the producer organizations for the six years were as follows:

Year	Value livestock handled*	Gross income	Expenses		
			Amount	Per cent of value	Net earnings
1922	\$ 27,096,730	\$ 317,712	\$ 222,963	0.82	\$ 94,749
1923	91,568,957	1,208,727	800,810	.87	407,917
1924	122,728,193	1,526,903	1,101,917	.90	424,986
1925	126,524,313	1,202,760	989,700	.78	213,061
1926	134,259,004	1,237,821	1,065,593	.89	172,228
1927	131,014,076	1,364,506	1,117,858	.85	246,648

\* Sales, purchases and sales to traders.

The relative importance of freight and truckage, operating expense, yardage expense, and feed for each of the last six years is as follows:

Expense	1923	1924	1925	1926	1927
	(Per cent)	(Per cent)	(Per cent)	(Per cent)	(Per cent)
Freight and trucking	63.0	61.8	59.4	61	59.6
Operating	15.1	15.2	18.1	19	18.8
Yardage	12.2	12.2	11.7	12	12.9
Feed	9.7	10.8	10.8	8	8.7
Total	100.0	100.0	100.0	100	100.0

More than a fourth of the animals handled by the producer associations in the six years, 1922-1927, came from Illinois. About 19 per cent of the total business came from Indiana and about 12 per cent from Iowa.

(See Agricultural Cooperation for June 7, 1926, p. 243.)



NEW EQUITY SHIPPING ASSOCIATION IN WISCONSIN

At the close of its first year's work the Reedsburg Farmers' Shipping Association, Reedsburg, Wis., reported that during 1927 it had shipped 149 cars of livestock which sold for \$202,694. From a small charge for handling shipments the new cooperative has established a reserve fund of \$1,500, to be held for use in case of losses. The Reedsburg association was formed a year ago to serve the locals of the American Society of Equity at Logansville, Hills Point and Reedsburg.

-----0-----

MINNESOTA FARMERS STUDY LIVESTOCK MARKET

A delegation of 317 farmers from Todd County, Minn., visited the livestock markets at South St. Paul en masse on March 21, and were entertained by the Central Cooperative Association. When they visited the hog alleys the head hog salesman of the Central showed them the different market grades and classes of hogs, told how each grade was selling at that time and explained some of the factors which caused price fluctuations. Similar talks were given in the cattle and calf alleys by the salesmen of the different lines of stock. The farmers also visited a large packing plant where a meat and carcass grading demonstration was given, stressing the importance of better breeding, better feeding and better handling, in producing good market livestock. On a tour through the packing plant the guests saw all the processes of killing and curing, as carried on by modern methods. This is the fourth time such a delegation of Todd County producers has made this educational trip.

-----0-----

PEORIA ASSOCIATION IMPROVES MARKET CONDITIONS

From the time the Peoria Producers' Association, Peoria, Ill., started business June 25, 1922, to January 1, 1928, it handled 894,493 head of livestock with a value of \$20,864,765. Its savings to patrons for the four and one-half years amounted to over \$80,000 and its reserves for emergencies to \$11,000. The heaviest day was February 20, 1928, when it handled 2,020 head of livestock, representing 30 per cent of the receipts of livestock on the markets that day. Previously the record day was January 23, 1928, with 1,763 hogs out of 7,000 arriving on the market that day.

When the Peoria Producers first began operating, the hog prices on the Peoria market were materially less than those at the Chicago market. In less than 12 months the spread had narrowed greatly. The association management states that this has been accomplished by making it possible for outside buyers to come into the market and operate, thus eliminating much of the speculation existing formerly.

AGENCY BUYS AND SELLS FOR FIVE COMPANIES

The Union Equity Exchange Company, Enid, Okla., is a buying and selling agency for five farmers' companies which sell grain and buy commodities. A condensed statement has recently been issued showing the transactions with members and with nonmembers for the two years of operation. The figures are as follows:

Members	1926-27		1927-28	
	Amount of business	Dividends	Amount of business	Dividends
Perryton Equity Exch.	\$2,750,000	\$5,630	\$ 87,146	\$ 860
Spearman Equity Exch.	546,000	1,124	8,086	199
Darrouzett Equity Exch.	455,000	924	116,712	414
Brooker Equity Exch.	395,000	781	29,290	208
Farmers Grain & Elev. Co.	614,000	1,214	77,305	290
Total	\$4,760,000	\$9,673	\$ 318,539	\$1,971
Nonmember business	167,446		825,913	
Total business	\$4,927,446		\$1,114,452	

During the two years since the company began operating, in June, 1926, the business handled has amounted to \$6,071,899, of which \$5,078,539 was transacted with members and \$993,359 with nonmembers. Dividends for the two years have totaled \$11,644.

Reports of this sales agency show that during the first year of operation it handled about 3,500,000 bushels of wheat, barley and other grains, and the second year, owing to a crop failure in the area served, the quantity of grain handled was only about 1,250,000 bushels.

The management estimates that the member units save 75 per cent on their wire expenses by selling through the joint agency, while further savings result from the agency handling all adjustments, and handling, mixing and conditioning off-grade grain.

Of the member companies the first four are located in Texas and the last mentioned is located in Oklahoma. The member units serve about 800 farmers.

CHEESE FEDERATION DESIGNS MODEL STATEMENT

A model cheese factory statement has been designed by the Wisconsin Cheese Producers' Federation, Plymouth, with the aid of a representative of the State College of Agriculture. All the necessary items for a complete monthly statement are arranged on a single sheet. The report is divided into three distinct sections: a factory financial statement, a factory report, and a patron's statement. The financial statement shows the receipts and disbursements; the factory statement shows the pounds of milk received, pounds of butterfat, average test, pounds of cheese made, yield and price per 100 pounds of milk and per pound butterfat, and expense per pound of cheese; the patrons statement shows the quantity of milk delivered, average test, pounds of butterfat, money due, deductions for butter, cheese or money drawn, and balance. The statement seems complete, concise and clear, and should be of great value in keeping patrons informed regarding the operations of the local factory and their connections with it.

The sale of \$500,000 of preferred stock in \$50 shares, was authorized at the annual meeting and the week of April 9 to 14 was set for a stock selling campaign. Ten thousand shares were sold before that time.

---0---

BUTTER, EGGS AND POULTRY SOLD COOPERATIVELY

The Mt. Carroll Cooperative Creamery Company, Mt. Carroll, Ill., began business January 2, 1922, taking over an existing plant. The first two weeks it had 108 patrons and a few months later 219. At the close of the first year a 7 per cent dividend was paid on outstanding capital stock, and at the close of the sixth year, Dec. 31, 1927, a 10 per cent dividend on stock was paid, also a patronage dividend of one cent a pound on butterfat delivered. The association also markets eggs and poultry.

Growth during the six years of operation is indicated below:

Year	Butterfat received (Pounds)	Butter made (Pounds)	Sales of dairy products	Sales of eggs and poultry
1922	152,374	186,424	\$ 69,361	\$17,496
1923	160,225	196,561	88,642	27,285
1924	211,145	261,967	104,022	36,709
1925	280,119	344,381	143,472	43,052
1926	280,539	343,567	141,993	46,217
1927	338,676	420,121	182,901	44,675



### OHIO ASSOCIATION PLANNING FOR THE FUTURE

"Progress" is the word with the Miami Valley Cooperative Milk Producers' Association, Dayton, Ohio. Last year it started testing practically all the milk that came on the Dayton market, thereby raising the price to members and helping to increase the standing of the organization. At present the association is conducting a membership campaign and the next forward step is to be a plant for handling surplus milk, which is to be constructed as soon as possible.

During 1927 the Dayton plant manufactured 1,052,000 pounds of butter which sold for \$480,500. Net earnings from this plant were \$4,250, and for the cooperative stations, \$3,600. The association has a net worth of \$59,000 of which \$13,295 is surplus.

The milk business on the Dayton and Springfield markets brought the association only \$13,000 which was about \$1,000 less than the expenses involved. Commenting on this matter the manager says, "The reason we have done more for the cream producer than we have for the milk producer is because we have handled the business all the way through."

---0---

### LOCAL CREAMERIES IN IOWA

The summarized report for 1927 issued by the Iowa Creamery Secretaries' and Managers' Association, Waterloo, Iowa, covers the activities of 153 local creameries. These creameries received during the year, 47,612,755 pounds of butterfat which was converted into 57,496,061 pounds of butter and sold for about \$28,000,000.

Forty-eight of the 153 creameries made from 200,000 to 300,000 pounds of butter each and 46 creameries from 100,000 to 200,000 pounds each. Ten creameries reported an annual output of less than 100,000 pounds and 21 creameries more than 500,000 pounds each.

The report gives averages for the last six years for the creameries which are members of the association. From this report the following table has been compiled.

Year	Average quantity butterfat received	Average quantity of butter made	Average cost of manufacture	Average price paid for butterfat	Butter sold locally
	(Pounds)	(Pounds)	(Cents)	(Cents)	(Per cent)
1922	253,212	312,733	3.77	40.5	16.1
1923	270,312	325,766	3.54	49.8	14.9
1924	321,574	389,964	3.12	44.8	12.9
1925	317,009	380,099	3.38	48.6	14.4
1926	317,706	380,761	2.97	48.1	14.2
1927	311,194	375,791	3.50	51.6	13.6

OREGON EGG ASSOCIATION BUILDS BRANCH HOUSE

A new branch plant was opened at Eugene on March 31 by the Pacific Cooperative Poultry Producers, Portland, Oregon. As the Portland plant was used to full capacity last year, the prospect of a 30 per cent increase in volume this season called for a new building at some point and Eugene was selected as an advantageous point to help equalize transportation charges.

The new building is 200 feet long and 50 feet wide, built of hollow tile and fitted out with modern equipment for processing and handling eggs. It is centrally located and has track space for five freight cars. It was erected at a cost of \$13,000 and paid for upon completion. More than 400 cases of eggs were received the first day.

----0----

WORK OF SASKATCHEWAN POULTRY POOL

"Exceedingly gratifying results both as to volume and returns" were reported by the president of the Saskatchewan Cooperative Poultry Producers, Ltd., Regina, in speaking of the 1927 business. Total business amounted to \$721,329, nearly \$200,000 more than in 1926; signed contracts increased to 18,774, egg deliveries increased to 50 per cent over the previous year; and items of overhead expense showed material reductions.

The quantity of eggs delivered to the pool was about 70 per cent of the number produced in the entire province during the year. Of 125 cars of eggs shipped out, 108 were shipped by the pool, making 86 per cent of the exportable surplus. Eggs in the storage pool were distributed through the Saskatchewan Cooperative Creameries, resulting in a profit. The same company is now under contract to handle the fresh eggs this season and will also handle storage eggs in case it seems desirable to conduct a storage pool.

Receipts for the poultry pool were reported as "disappointing" due to decreased production and severe weather. The pool went to considerable expense to open new plants and feeding stations and received only a slightly larger quantity of live poultry than the previous year and a smaller quantity of dressed poultry. The feeding stations received 352,342 pounds, with a capacity of three or four times that volume, resulting in high handling costs. Dressed poultry was handled at 51 country points.

Educational work conducted during the year included about 200 meetings in various parts of the province, two conferences, and a number of demonstrations of culling, killing, dressing, and grading of poultry, also of handling turkeys.



FIRST SEASON'S WORK OF OKLAHOMA COTTON GIN

Although the Farmers' Union Cooperative Gin at Verden, Okla., was delayed by an injunction and not completed until more than 2,000 bales of cotton had been ginned at that point, it had ginned 3,136 bales to March 24, 1928. For the ginning, including bagging and ties, the company had received \$20,287. The ginning, bagging and ties cost \$15,075, leaving \$5,211. Earnings from handling 1,297 tons of cotton seed were \$3,382, or \$2.60 per ton. The manager estimates that a dividend amounting to 60 per cent of the amount paid for ginning can be made to the stockholders, the dividend to be paid in stock. At present the company has 51 paid-up stockholders.

The company owns land valued at \$2,250, buildings worth \$7,092, and machinery worth \$21,418. Paid-up capital stock amounts to \$7,000.

---0---

NORTH CAROLINA COTTON GROWERS USING BETTER SEED

The use of better cotton seed is considered so important by the management of the North Carolina Cotton Growers' Cooperative Association, Raleigh, that it is making a strenuous effort to persuade its members and other growers to plant better varieties of cotton from the best sources of seed available. The association intends never to be satisfied until every grower in the state is producing, from the best seed obtainable, the types of cotton demanded by the mills of the state.

Efforts made so far this season have been gratifying, so much so that the demand for seed of the two most popular varieties has been in excess of the supply. Field representatives report that more than 15,000 bushels of seed of improved varieties has been sold to growers in the state and the demand is increasing rapidly with the approach of the planting season.

The premiums secured for better staples last year convinced many growers of the desirability of raising better types. The 15/16 inch cotton sold in 1926-27 netted the members 88 points more than 7/8 cotton; 1 inch staple averaged 145 points more than 7/8, or more than \$7 a bale; and 1-1/32 to 1-1/16 sold for 183 points more than 7/8 cotton.

Growers are still delivering cotton to the association and the first advance has been raised to 13 cents, with an additional advance for long staple cotton if requested. This extra advance ranges from one cent to three cents a pound, according to length.

TEN YEARS OF COOPERATIVE WOOL MARKETING

More than 36,000,000 pounds of wool has been handled by the Canadian Cooperative Wool Growers, Ltd., Toronto, Ont., during the ten years that it has been operating. This association is a sales agency serving the provincial and local associations in the provinces from Nova Scotia to British Columbia. Wool of the 1927 clip was assembled by 16 local associations and delivered to the larger organization for marketing. The 1927 receipts consisted of 3,636,315 pounds of wool and 11,939 pounds of pelts. Of this amount 41 per cent came from Alberta, and 18 per cent from Ontario. Manitoba and Saskatchewan together furnished 18 per cent of the total quantity.

Wool sales for the year amounted to \$1,158,130, including wools carried over from the preceding season and not including wools carried into the 1928 season.

The quantity of wool received for each of the ten years the association has been operating is given in the annual reports as follows:

Year	Wool received		Wool sales*	Expenses#
	Pounds	Relative		
1918	4,456,448	100	-----	-----
1919	3,800,303	85	-----	-----
1920	4,647,138	104	-----	-----
1921	3,943,923	88	\$ 977,335	\$ 90,825
1922	2,908,122	65	704,350	83,403
1923	2,843,365	64	844,568	85,969
1924	2,506,326	56	875,590	78,855
1925	3,527,624	79	1,066,877	88,557
1926	3,903,844	88	726,377	93,373
1927	3,648,254	82	1,158,130	102,833

\* Sometimes more and sometimes less wool was sold than received.

# Less profits on supplies sold.

In addition to marketing wool the association has handled sacks, twine, stockmen's supplies, and manufactured woolens. Total sales of these sidelines for 1927 amounted to \$77,573.

SUCCESSFUL STORE SOCIETY IN INDIA

India has one cooperative store society which has been successful over a considerable period of years. This is the Triplicane Urban Cooperative Society of Madras, which started in business in 1904 with 14 members and a capital of 310 rupees (par value 32.4 cents). A recent statement of the president of the society shows that the organization now has nearly 5,000 members and is operating 21 branches in the city of Madras. The society at present has share capital amounting to 93,000 rupees, a reserve fund of 81,300 rupees, and a common-good fund of 36,000 rupees. The volume of business conducted is about 1,200,000 rupees annually, and refunds to members on June 30, 1926, had reached 135,000 rupees.

-----0-----

AGRICULTURAL COOPERATION IN EASTERN EUROPE

About 7,369,000 peasant households are included in the agricultural cooperative movement in the Union of Socialist Soviet Republics, according to a pamphlet recently issued from the Moscow office of the cooperative publishing and stationery distributing union. There are 40 types of local cooperative associations including improvement associations, marketing and purchasing associations, associations for furnishing credit and insurance, for owning and operating machinery, for publishing, and for collective farming.

There are marketing associations for handling grain, dairy products, forest products, livestock, poultry, flax, tobacco, potatoes, fruit, wine, and honey. The usual practice is for the association to pay its members the local current price at the time of delivery of produce and later to apportion such earnings as may have resulted because of favorable sale in central or foreign markets. Much attention is being given to the improvement of the quality of the agricultural products by grading and processing. According to the report there are 6,000 cooperative associations for converting milk into butter, cheese, etc; 486 associations for the manufacture of flour and 154 for the manufacture of starch and molasses. There are 4,216 stations for cleaning seed and 8,165 stations for renting agricultural machinery.

The cooperative marketing and purchasing transactions nearly tripled between 1923 and 1926. In the 1923-24 season the cooperative transactions constituted about 12 per cent of the total agricultural turnover and in 1926-27 they were about 29 per cent. Sixty-five per cent of the cooperative business is marketing and 35 per cent purchasing. It is stated that the present cooperative movement is a "bearer of culture into rural life."

The above mentioned pamphlet consists of forty pages, is printed in English and contains many illustrations made from photographs.



STRAWBERRY ASSOCIATION SUES CARRIER

The Wentworth Fruit Growers Association brought suit in Missouri against the American Railway Express Company, 1 S. W. (2d) 1028, on account of the fact that a shipment of strawberries which it was claimed was delivered to the Express Company in good shape arrived in bad condition because, the Fruit Growers Association alleged, they had been improperly refrigerated while in transit. The association lost the suit in the trial court and on appeal.

On the trial of the case the association "offered substantial evidence tending to show that the berries were in good condition when delivered and that when they arrived at destination they were in a damaged and deteriorated condition." The association apparently offered no evidence that the Express Company had failed to ice the berries properly while in transit and the Express Company offered evidence that the berries were properly iced.

The court pointed out that the general rule is that where a shipment is delivered to a carrier in good condition and arrives at destination in a damaged condition, the burden devolves upon the carrier of explaining or accounting for the damaged condition of the shipment or responding in damages, but said that the association was not in a position to invoke this rule because the association pleaded specific negligence, namely, failure to keep the berries properly refrigerated. "In case of a plea of specific negligence, the burden is on the shipper to prove the negligence alleged and this burden does not shift."

As indicated above, the association alleged that the carrier "was negligent in this, that it failed to keep said berries properly refrigerated." On account of the fact that the association made this specific allegation which it failed to prove, the court pointed out that it was barred from availing itself of the general presumption that the shipment of goods in good condition and their delivery in bad condition establishes a prima facie case against the carrier. The presumption is based on the fact that the carrier knows the cause for the arrival of the goods in bad condition as they have been in its custody while the shipper ordinarily has no means of knowing the cause for the bad condition of goods on arrival. "But if the shipper alleges that he knows the particular cause and alleges it, he does not need the aid of a presumption and he must therefore prove his allegations as in other cases."

L. S. Hulbert.

DISCHARGE OF PRESIDENT TERMINATED SALARY

A stockholder and director of a corporation was employed by its board of directors as president at a yearly salary payable in monthly installments beginning January 1. On February 2 the board of directors discharged the president pursuant to a by-law reading "all officers and agents shall be subject to removal at any time by the affirmative vote of a majority of the whole board of directors." Pursuant to this authority he was removed from office by a majority vote of the board of directors. The president then brought suit against the corporation for his salary for the remainder of the year after his discharge. The appellate court of New Jersey held, *Walker v. Maas & Waldstein*, 140A.286, that he was entitled to recover nothing because the "power of removal vested in the board of directors, of which power he must be assumed to have notice and under the terms of which he must be presumed to have accepted the office with its emoluments" had been properly exercised and, therefore, "his right to the salary ceased with the legal termination of his official status."

-----0-----

DIRECTED VERDICT HELD ERROR

In the case of *Kansas Wheat Growers' Association v. Loehr*, an action for the recovery of liquidated damages, recently decided by the Supreme Court of Kansas, 264 P. 735, the question for decision was, did the trial court err in directing a verdict for the defendant, thus disposing of the case so far as that court was concerned. In reversing the judgment of the trial court the Supreme Court pointed out that "if there was evidence which tended to prove the facts necessary to establish the plaintiff's cause of action, that evidence should have been submitted to the jury under proper instructions, and the jury should have returned its verdict thereon." The Court examined the evidence and pointed out that:

The testimony of John Loehr tended to prove that for some of the years covered by the contract for which the plaintiff seeks to recover, the defendant by some kind of an arrangement transferred to his sons wheat raised or controlled by him, but the evidence was such as to raise the question of the good faith of those transactions. From the evidence, the jury might have concluded that those transactions were had for the purpose of avoiding the contract with the plaintiff.

Of course, the plain implication of the foregoing is that if the transactions in question were had for the purpose of avoiding the contract with the association, they were of no effect so far as the liability of the defendant for liquidated damages was concerned.

L. S. Hulbert.



STATE ASSOCIATION WITH COUNTY BRANCHES

A branch of the Ohio Farm Bureau Corporation for handling business for farmers on a cooperative basis has been established at Findlay, Ohio. The corporation has leased yards for shipping livestock, and bins for handling coal, and has erected a warehouse for handling such farm supplies as fertilizer, feeds and binder twine. The warehouse will also be used for assembling wool for shipment to the state association. The management of the Corporation states that six county branches are functioning at the present time.

----0----

BOOKLET DESCRIBES MANITOBA'S COOPERATIVES

Representatives of seven important farmers' cooperatives of Manitoba met in Winnipeg in November for a conference. At this meeting each of the organizations presented a brief account of its history, organization, purposes and accomplishments. These concise statements have been collected and printed in a booklet bearing the title "Agricultural Cooperation in Manitoba." The seven enterprises, which represent about 35,000 farmers, are as follows: Portage la Prairie Mutual Fire Insurance Company, organized in 1884; Wawanesa Mutual Insurance Company, organized 1897; Canadian Cooperative Wool Growers, Ltd., 1918; Manitoba Cooperative Dairies, 1921; Manitoba Cooperative Poultry Marketing Association, 1922; Manitoba Cooperative Wheat Producers, Ltd., 1924; Manitoba Cooperative Livestock Producers, 1928.

----0----

OREGON COOPERATIVE COUNCIL BEING REVIVED

The Oregon Cooperative Council held a two-day meeting on March 26 and 27 at Eugene, Oregon, in cooperation with the Eugene Fruit Growers' Association, the Eugene Farmers' Creamery, the Farmers Union Warehouse, and the newly organized branch of the Pacific Cooperative Poultry Producers. New officers were elected. A feature of the meeting was a roll call responded to with five-minute reports by representatives of the leading cooperative associations in the state.

Among the subjects discussed were the significance of the recent Supreme Court decision protecting cooperatives from attempts by outsiders to solicit business of members, the coming session of the American Institute of Cooperation, and other matters of common interest to cooperative leaders and their associations.

As a result of the various discussions it was decided to appoint a committee to study existing Oregon legislation governing cooperative marketing and to make suggestions for a revision of existing laws.

REPORTED BY THE ASSOCIATIONS

Ohio is to have another Equity Union creamery soon. Farmers in the vicinity of Fort Recovery are subscribing for stock in the enterprise and as soon as \$30,000 worth is subscribed the organization will be completed and a creamery built. Some of the members live in Indiana.

Blanket compensation insurance, under the workmen's compensation insurance and safety act, has been arranged for individual citrus growers by the California Fruit Growers' Exchange, Los Angeles, with the State Compensation Insurance Fund. That this new service is appreciated is shown by the fact that about 200 applications per day are being received.

Members of the Northern Wisconsin Cooperative Tobacco Pool, Madison, received another payment on sorting tobacco the last week in March. The distribution amounted to approximately \$75,000 and represented a third advance on northern sorting tobacco and a second advance on southern sorting tobacco. Amounts advanced on the former type ranged from 16 to 34 cents per pound; and on the latter type, from 14 to 31 cents.

The Northampton Cooperative Farmers, Inc., Nazareth, Pa., is the name of an association of 90 farmers who have banded together to buy needed supplies collectively. The association was organized in 1923 and does an annual business varying from \$60,000 to \$100,000 according to the needs of its members. Sales for 1926 amounted to \$67,100. Feed pool commissions for the year were \$1,813. Among the commodities purchased are fertilizers, seeds, feeds, spraying materials and binder twine.

Five milk plants in New York State were taken over by the Dairy-men's League Cooperative Association, Inc., New York City, on April 1. Plants at Bridgewater and North Bridgewater, in Oneida County, were purchased. A plant at Oran, Onandaga County, one at Delphi Falls, Madison County, and one at Granville, Washington County, were leased. These plants will be operated primarily as stations for shipping fluid milk. One will manufacture cheese during the surplus milk season and another will be equipped to manufacture plain condensed milk.

The management of the Connecticut Milk Producers' Association, Hartford, has announced that on April 1 the association entered the New London market, two dealers having contracted to take their supplies from association members. This means that association milk is being sold in the principal markets from Stamford on the western edge of the state to New London on the eastern edge, and to the Massachusetts line on the north. Seventeen new dealers in various parts of the state began purchasing milk on association contracts the first of April.

SELECTED LIST OF PUBLICATIONS AND ARTICLES

- Buttermakers to Cooperate. (Editorial) The Farmer, St. Paul, Minn.,  
arch 31, 1928, p. 6.
- Jardine Stands Pat for Cooperative Marketing. Oregon Farmer. Portland,  
Oreg., April 5, 1928, p. 3.
- MacLeod, W. A. Status of the Canadian Wheat Pool: The Growth of the  
Canadian Grain Marketing Movement, and Its Present Importance.  
Iowa Homestead, Des Moines, Iowa, April 5, 1928, p. 12.
- Macklin, Theodore. The Future of Cooperative Marketing is Very Bright.  
Oklahoma Cotton Grower, Oklahoma City, Okla., April 10, 1928. p. 4.
- Manager of Canada's Powerful Grain Pool Tells Convincing Facts. (Address)  
South Dakota Wheat Grower, Aberdeen, S. D., April 1, 1928, p. 1.
- Minnesota Wheat Pool Facts. The Cooperator, Minneapolis, Minn., April  
10, 1928, p. 1.
- Nourse, E. G. The Meaning of Cooperative Membership. C. M. P. A.  
Bulletin, Hartford, Conn., April 1, 1928, p. 1.
- Our Creameries and Land O'Lakes. (Editorial) Wisconsin Farmer, Madison,  
Wisconsin., March 22, 1928, p. 4.
- Taylor, Carl C. Cooperative Marketing. II. What "Broke" the Tri-State?  
The Southern Planter, Richmond, Va., March 15, 1928, p. 28.
- Triple Farm Cooperation at Sparta. Wisconsin Farmer, Madison, Wis.,  
April 5, 1928, p. 1.
- Walker, A. L. Farmers' Cooperation in New Mexico, 1925-26. Bulletin 164,  
Agricultural Experiment Station, State College, New Mexico, 1927.  
58 p., illus.
- Washington Egg Group Largest Northwest Co-op. Idaho Farmer, Boise,  
Idaho, April 12, 1928, p. 13.
- Wisconsin's Northern Dairy Cooperative. Wisconsin Farmer, Madison, Wis.,  
April 12, 1928, p. 1.

IN THIS ISSUEPage

## Education:

Fourth session of American Institute of Cooperation ..... 165

## Fruits and vegetables:

Farmers own Oregon cannery ..... 166

Calavo growers study division of retail dollar (Calif.)..... 166

Local association serves farmers in many ways (Nebr.) ..... 167

Six years work of Ohio enterprise ..... 167

Florida citrus growers organize new association ..... 168

## Livestock:

Seven years of livestock shipping (Ill.) ..... 168

Producers' terminal market cooperative sales agencies ..... 169

New Equity shipping association in Wisconsin ..... 171

Minnesota farmers study livestock market ..... 171

Peoria association improves market conditions (Ill.) ..... 171

## Grain:

Agency buys and sells for five companies ..... 172

## Dairy products:

Cheese federation designs model statement (Wis.) ..... 173

Butter, eggs and poultry sold cooperatively (Ill.) ..... 173

Ohio association planning for the future ..... 174

Local creameries in Iowa ..... 174

## Poultry products:

Oregon egg association builds branch house ..... 175

Work of Saskatchewan poultry pool ..... 175

## Cotton:

First season's work of Oklahoma cotton gin..... 176

North Carolina cotton growers using better seed ..... 176

## Wool:

Ten years of cooperative wool marketing (Canada) ..... 177

## Foreign:

Successful store society in India ..... 178

Agricultural cooperation in Eastern Europe..... 178

## Legal:

Strawberry association sues carrier (Mo.) ..... 179

Discharge of president terminated salary (N. J.) ..... 179

Directed verdict held error. (Kans.) ..... 180

## Miscellaneous:

State association with county branches (Ohio) ..... 181

Booklet describes Manitoba cooperatives ..... 181

Oregon Cooperative Council being revised ..... 181

Reported by the associations ..... 182

## Publications:

Selected list of publications and articles ..... 183